



## State of Idaho Department of Administration

January, 2000  
Boise, Idaho

*Pam Ahrens, Director*

---

1999 - 2000

# ANNUAL REPORT

To: Governor DIRK KEMPTHORNE,  
55th Idaho Legislature



### *Efficient Government for a New Century*

The Department of Administration's responsibility is to manage overhead costs of state government. By reducing or containing the costs of facilities, information technology functions, procurement processes, and insurance expenses, the state can redirect saved dollars to programs that benefit Idaho's most treasured investment in its future — our children.

**Pam Ahrens**, Director

## Digital Technology Expands Citizen Access to Services



### To Idaho Leadership, Citizens of Idaho:

Now that we have successfully managed the largest information technology project in Idaho State government's history — the Y2K date rollover — it's time to move on, and not a moment too soon.

While we have spent the past several years readying all our IT systems and preparing our contingency plans, the momentum toward enabling E-Government has continued to build at a rapid pace.

Digital technology is revolutionizing how government information and services are being provided. There are exciting opportunities ahead in Idaho to expand citizen access to their government and for us in agency leadership to gain cost efficiencies.

In early January of 2000, **Government Technology Magazine** announced results of Part I of its **Digital States Survey** acknowledging technology achievements in 50 states.

The State of Idaho ranked among the top ten states in electronic commerce, tied with Michigan in 9th place.

Successfully meeting the Y2K challenge in Idaho state government confirmed that through collaboration and co-operation, state agencies can take a collective approach to confronting and solving a singular, critical issue.

The same cooperative spirit will be central to our success in assuring the benefits of digital government meet the on-line needs of our citizens.

At the Department of Administration we are moving quickly to implement key initiatives designed to serve Idahoans more effectively through the use of E-Government.

We are pleased to offer for your review, this annual report reflecting our Department activities and accomplishments during the past year, and other major initiatives we are working on.

In closing, we look forward to a new century of service to our state agency customers and to our Idaho citizens. We welcome your comments and suggestions.

## Annual Report Contents

<b>1999 Department Key Accomplishments</b>	<b>4-5</b>
<b>Facility Management &amp; Construction (Division of Public Works)</b>	<b>6-7</b>
<b>Master Plan Capitol Mall</b>	<b>7</b>
<b>Idaho Capitol Commission</b>	<b>8-9</b>
<b>Information Technology Resource Management Council</b>	<b>10</b>
<b>Electronic Government</b>	<b>11-14</b>
• E-Government Strategy	11
• Access Idaho	12
• IDANET-Telecommunications Initiative (Enabling E-Government)	13
<b>Digital Microwave System Modernization</b>	<b>14</b>
<b>Multi-Agency Communications Center</b>	<b>15</b>
<b>Procurement Reform (Division of Purchasing)</b>	<b>16</b>
• Procurement Reform Task Force	
• E-Mail Pilot Project	
• Records Management Guide	
<b>Division of Internal Management Systems</b>	<b>17</b>
• Administrative Rules	
<b>Office of Insurance Management</b>	<b>18-19</b>
• Group Insurance	
• Risk Management	
<b>Div. of Information Technology &amp; Communication Services</b>	<b>20-21</b>
• Telephone Services	
• Network Services, Microwave Services	
• Postal Services Operations	
<b>Industrial Special Indemnity (Second Injury) Fund</b>	<b>21</b>
<b>Department FY2000 Budget Overview</b>	<b>22-23</b>

## 1999 Key Accomplishments

### Y2K State Agency Preparedness

Collaboration and cooperation were the benchmarks of Idaho State government's successful transition of its computing and network systems, data operations, and date sensitive devices to the Year 2000. Agencies reported no major glitches as the new year arrived.

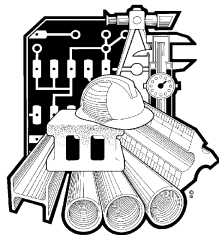
Since 1996, the **Information Technology Resource Management Council**, responsible for overall statewide information technology strategic development and implementation, has monitored the Y2K remediation efforts of all Idaho state government agencies. More than **1,100** different Y2K identified projects were inventoried, upgraded, repaired, replaced and tested by state agencies. This included **29 mission critical operations** with potential impact on public safety and/or financial operations. The ITRMC also required agencies to have Business Continuity Plans in place by the end of 1999.

The State of Idaho invested \$13 million on Y2K readiness efforts, over the past three years. Early on, Idaho agencies utilized ongoing budgeting processes to incrementally absorb and minimize the overall Y2K financial impact through upgrades and replacement of computers and systems as a normal cost of doing business. The Department conducted a successful public awareness campaign during 1999 and was involved in various Y2K public information activities.

### Facility Management & Construction

The **Division of Public Works** began two very ambitious projects this past year – the **Capitol Mall Master Plan** and **Courthouse Remodel**; and the **Idaho Capitol Building Master Plan**, under the direction of the Idaho Capitol Commission.

The development of the Capitol Mall Master Plan will evaluate Mall buildings and infrastructure; and analyze present and projected user needs. This has not been done since the 1970's.



The old Ada County Court House was acquired in January, 2000. An assessment of the facility and its uses will be important in planning for the future. This assessment will be completed in June, 2000.

The Division also evaluated all 401 state agency leases for lease/own analysis. (Leases currently total 1.8 million square feet at a cost of \$17.9 million).



### Electronic Government

The Department launched several initiatives in 1999 promoting Governor Dirk Kempthorne's vision of serving Idahoans more effectively through E-Government.

In July, consensus building began toward the establishment of a shared, statewide digital communications infrastructure for the State of Idaho. The **Telecommunications Initiative**, also known informally as IDANET, will use the collective buying power of state Agencies, the Lottery Commission and Higher Education to benefit the kids in Idaho's public schools and result in enhanced economic development opportunities in rural and high-tech Idaho.

**Access Idaho** is a public-private partnership developed to effectively utilize the Internet to provide electronic services to citizens and government to government. Citizens will have access to interactive services and information 24 hours a day, seven days a week.

The **State of Idaho Home Page** is undergoing a content and graphic redesign in order to enhance its usability as the official electronic front door for state government.

### Modernizing Communication Systems

The **Division of Information Technology and Communication Services** made significant progress during 1999 toward the establishment of a co-located Communications Dispatch facility improving statewide public safety services. The first phase of the multi-agency center which houses the operations hub for the state emergency communications microwave system is nearly complete with the facility located at the Department of Law Enforcement complex in Meridian opening in December.

The Department and Idaho Public Television have upgraded the northern portion of the **state's digital microwave system**. This upgrade, utilizing current digital technology, leverages the state's existing investment by adding capacity to support not only public safety communication, but also public television's broadcast needs and future uses, including education. Concurrently, the Department and the Idaho Transportation Department have focused on modernizing the eastern portion of the state's microwave system between Boise and just north of Twin Falls.

### Procurement Reform

The **Division of Purchasing** successfully participated in the State of Massachusetts' electronic procurement pilot project, **E-Mall**. Micron Electronics partnered with the State of Idaho as part of the project involving such states as Utah, Washington, New York, and Texas. The Division also instituted an **electronic procurement card** for small purchases, which has saved the State dollars and speeded up thousands of transactions, and has formed a Procurement Reform Task Force to evaluate and propose changes to the present procurement system.



## Facility Management & Construction

**Larry Osgood**, Administrator,  
Division of Public Works, 332-1911

### Design and Construction Group

The **Design and Construction Group** under the Division of Public Works (DPW) assists state agencies with building and renovation projects, as well as provides technical review of project plans and specifications. The group also supervises the bidding process of building/renovation projects over \$30,000.

### Facility and Security Services

**Facilities Services** within the DPW is responsible for property management, environmental control, and custodial and security services. Facilities Services also maintains the Capitol Mall grounds and arranges for custodial services. In addition to the buildings on the Capitol Mall, Facilities Services is responsible for the Idaho Falls and Lewiston State Office Buildings.

### Statewide Facilities Management Planning

The State of Idaho currently leases a total of 1.8 million square feet of office space at a cost of approximately \$17.9 million annually. The Division is developing a **Statewide Facilities Management Plan** reviewing management of the State's facilities and real property assets, either leased or owned.

An opportunity to lower or contain facility costs could be realized if a multi-agency management strategy were in place. The Facilities Management Team is formulating a database and a plan that will evaluate the space utilization, the construction type, the value, and the condition of all of the State's office buildings. This information will then be compared to all state leases in an effort to be more cost effective in expenditures of tax dollars for state office occupancies.

### Major Construction Projects – 1999-2000

The University of Idaho **Agricultural Biotechnology Building** is currently under construction, and is a \$14 million project funded through a partnership of state, private and federal grants. When complete, the project will provide a unique research facility that will keep the U of I agriculture program on the cutting edge. The Division is also working closely with Idaho State University on the new **Stephens Performing Arts Center** on the ISU campus. This \$25 million facility is being designed by Hummel Architects. Other projects underway include the **Bennion Student Union Building** being constructed on the ISU/UI higher ed campus in Idaho Falls. The \$4.2 million project is expected to be complete by June 2000. Groundbreaking is anticipated in May 2000 for the \$12.5 million **BSU Recreation Center**.

In addition to the major projects listed above, the Division has in excess of **200 other projects** in various stages of completion, under design, or construction.

## Capitol Mall Master Plan

### Capitol Mall Master Planning Process Underway

The Division of Public Works is involved in an extensive process to determine the condition of Capitol Mall buildings, from present facility infrastructures and utilities to their current and future space utilization needs. This is an undertaking not pursued since the 1970's.

The Capitol Mall is both the center of Idaho State government and a vital component in the culture of Boise's urban fabric.

During 1999, the architectural firm of Leatham and Krohn was competitively awarded a contract to develop a **Capitol Mall Master Plan** project to begin with establishment of very specific goals and objectives and to develop a carefully crafted work plan that will assure successful results from start to finish.

An electronic database of all building floor plans has been developed and user interviews with site verification has been completed to determine current space use and growth trends or anticipated changes. The process is anticipated to be completed by July, 2000.



### Old Ada County Courthouse Remodel

The Master Planning effort of the Capitol Mall also includes preliminary planning for the remodel and utilization of the former **Ada County Courthouse**. The State of Idaho purchased the courthouse for \$2.5 million, formally acquiring the property on January 5, 2000.



The consultant team of Leatham & Krohn Architects has developed electronic drawings and performed investigative analysis of the existing building and systems.

The **Capitol Mall Master Plan** will identify the recommended use for the building. A schematic design will also be developed showing proposed changes to accommodate the proposed use and estimates of associated costs are being formulated.



## Idaho Capitol Commission

### Master Plan Completion Set for April, 2000

In 1999, the Idaho State Legislature appropriated \$120,000 for the purpose of hiring a consultant to complete a master plan for the restoration of the Idaho State Capitol Building, Division of Public Works Project No. 99-014.



The Master Plan/historic renovation project is a **two-stage project**.

**First**, the Architect, CSHQA/Isthmus, have assembled a team of professionals qualified to prepare a Master Plan and conduct the following analyses:

- a Historic Structures Report;
- a study of the current spatial uses of the building;
- a program for the future spatial uses of the building;
- an analysis of mechanical, electrical, data and communications systems; and
- a code analysis of the building.

The Master Plan, to be **completed by April 28, 2000**, will be based on the above analyses. It will provide a cost estimate for the total renovation project, and sequence of phases of work. This team of professionals will work in collaboration with the Idaho State Capitol Commission, the Capitol Architect, Department of Administration, and several statewide public subcommittees consisting of citizen volunteers.

### Implementation of Master Plan of the Capitol

**Second**, CSHQA/Isthmus team will be responsible for implementation of the Master Plan of the Capitol. The emphasis will be to stabilize the condition of the Capitol; to upgrade all utilities; to address life safety and accessibility issues; to prepare the physical plant to meet the needs of the employees and users of the building for the next 50 years; and, to restore and repair the historic features of the building.

**The construction** project will be phased subsequently over a number of years with the completion goal of **July 3, 2005**, the **Centennial Anniversary** of the building's construction. Preparation for the various aspects of the restoration and funding limitations may result in dividing the project into phases. Every effort will be made to limit the number of times particular areas of the building are disrupted.

## Idaho Capitol Commission

### Citizen Involvement Focus Of Volunteer Committees

A major objective of the Capitol Commission is to involve citizens from all corners of the state to participate in the Restoration effort through various **Statewide Citizen Committees** organized this past year.

These committees will also help address many of the components involved in the restoration project.

Responsibilities of the committees fall under several key oversight groups which will monitor Infrastructure, Space and Utilization, and Outreach issues. Committees include Electrical, Mechanical, Environmental, Construction, Space Quality, Space Use, Communication, Fund Raising and Social.



**The Commission** also selected a Fund Raising consultant through a competitive bid process. This organization is anticipated to be onboard by the end of January 2000. The Commission is also partnering with the **Idaho Community Foundation** in the establishment of two funding sources:

- the Idaho Capitol Preservation Endowment Fund (designated) and
- the Idaho Capitol Restoration and Preservation Fund (temporary special project fund).

### Official Website Established

Because citizen involvement and participation are vital to the overall success of the Capitol Building's renovation, the Commission established a presence on the world wide web at year's end. The Internet address is:

[www.idahostatecapitol.org](http://www.idahostatecapitol.org)

The website and its links feature such information as a timeline of restoration and renovation projects; a history of the Capitol building with photo gallery, an Idaho History Quiz for Idaho fourth-graders and others; a downloadable version of the Capitol's self-guided tour brochure.

A Communications Subcommittee has been established to develop a Communications Plan identifying specific public awareness and information activities involving citizens across the state.

## Information Technology Resource Management Council (ITRMC)

### ITRMC Moves IT Initiatives Forward

Working cooperatively with state agencies, the **Information Technology Resource Management Council (ITRMC)**, made continued progress during FY98-99 toward its vision of assuring standardized, effective, and efficient statewide access to information and services. The Council was established with statutory authority in early 1996 and is comprised of 16 members representing state agency leadership, the Idaho Legislature, local government, the judiciary, private industry, rural interests, and K-12 and Higher Education.

Major ITRMC accomplishments included:

- **Y2K state agency readiness:** The ITRMC worked very closely with all agencies to assure the State's major critical computing systems were tested and ready for the year 2000 date transition. More than **1,100** different Y2K identified projects were successfully inventoried, upgraded, repaired, replaced and tested by state agencies. This included **29 mission critical operations** with potential impact on public safety and/or financial operations. Only minor glitches were reported by state agencies as the new year arrived, with critical systems operating normally.
- **Strategic Leadership for Electronic Government:** In adherence to Governor Dirk Kempthorne's vision of serving Idahoans more effectively through electronic government, the Council provided leadership and strategic direction toward establishment of significant IT initiatives including development of an E-Government Plan (see next page).
- **A Geographic Information Systems (GIS) coordinator position,** approved by the 1999 Legislature, will be added to Project Team staff in January of 2000. Because of increased utilization of GIS at all levels of government, a need for greater coordination of this unique mapping technology will assure currently accepted standards are consistently applied to state, local, and private sectors.
- **ITTP Employee Training Program,** began in 1997 as a collaborative effort between the ITRMC, the Division of Professional-Technical Education, the Department of Administration, and the Department of Labor. ITTP was developed to assist agencies in recruiting and retaining qualified information technology employees. From its modest enrollment of a little more than 1,173 employees participating in 212 courses at the end of 1998, the ITTP has successfully increased its enrollment to 4,880 employees participating in 320 courses, as of January 8, 2000.

## E-Government Plan for State of Idaho

A major goal of strategic IT planning is to promote the development and diversification of Idaho's economy through the use of information technology.

During the past year, the ITRMC Project Team in collaboration with state government agencies, and as directed by the Council, formalized a strategic direction and the basic premise under which the State of Idaho will participate in the transfer of information electronically. The state's **"Electronic (E-Government) Plan"** will provide the direction required for Idaho state government to maximize its current, substantial IT investment; and be prepared to participate fully in the digital revolution. The E-Government Plan is comprised of the following components:



### Portal: Access Idaho, an Internet Portal/Gateway

The State will utilize a Portal or Gateway to provide electronic access to government services. The intent is to provide access to state information and data, to be able to conduct business with the state virtually anywhere in the world.

### Connectivity: IDANET, Statewide Telecommunications Infrastructure

The State of Idaho is developing an RFP for a telecommunications service contract for statewide high-speed digital connectivity to be utilized by K-12, higher education, libraries, state agencies, city county and state governments, etc. **Implementation to begin in July 2000.**

### Training: Electronic Commerce Boot Camp

A two day training camp is being planned for May 15-16, 2000 in Boise which will involve state agency directors, IT & business managers, and legislators.

### Manageability: Document Management Services Contract

ITRMC initiated a statewide contract establishing the tools, applications and consulting services agencies may utilize to implement document management.

### Security: Department of Administration Internet Firewall

An Internet Firewall is being installed between the states computing systems and the Internet by the Department of Administration, to significantly increase the security of state systems. Citizens should have access to and pay for services without fear of theft or compromise.

### Coordination: Centrally coordinated infrastructure

Electronic Commerce will be conducted via the state's centrally coordinated electronic infrastructure.

## Access Idaho: On-Line, Not In-Line

### Electronic Front Door To Idaho State Government

"Access Idaho" is the official name for the State of Idaho Internet Portal, a public-private partnership to provide on-line government services and information to Idaho citizens.



The portal contract was formally awarded and signed with the **Idaho Information Consortium** on December 7, 1999, beginning a relationship with the Idaho affiliate of the nation's leading provider on Internet-based electronic government services, the National Information Consortium (NIC). NIC provides portal services for other state governments including Arkansas, Georgia, Indiana, Iowa, Kansas, Maine, Nebraska, Utah, Virginia and Hawaii, who just signed a contract with NIC early in January.

NIC enters into contracts with governments and, on their behalf, design, build and operate Internet-based portals which provide a centralized, customer-focused presence on the Internet. These portals consist of Web sites and applications built by the Portal provider, which allow businesses and citizens to access government information online and complete transactions including applying for a permit, reviewing a license or filing a report. The Portal service will comply with all Idaho laws.

An **Access Idaho Portal Oversight Committee** has been organized with representatives from the Departments of Transportation, Water Resources, Labor and the Secretary of State's Office working closely with the Department of Administration.

Respective state agency websites are not impacted graphically or in content scope by the Portal concept, only in how their websites are accessed through the portal by citizens. Webmasters from all the major state agencies have been made aware of "Access Idaho," and have provided valuable input into the re-design of the State of Idaho's Home Page and in overall Portal applications. It is anticipated the "Access Idaho" official State of Idaho website will be accessible early this spring at:

[www.accessidaho.org](http://www.accessidaho.org)

## Telecommunications Initiative (IDANET)

This past July, consensus building began toward the establishment of a shared, statewide digital communications infrastructure for the State of Idaho. The **Telecommunications Initiative**, known informally as **IDANET** is in response to Governor Dirk Kempthorne's IT Initiatives and his vision of serving Idahoans more effectively through E-Government.

Such a modernized network would provide high-speed, digital bandwidth capabilities, transmitting voice/data/video information more efficiently, affording Idahoans and our kids greater access to information, services, and educational opportunities.

This world-class, value-added network could interconnect all Idaho State government offices, campuses, school and highway districts, correction and other institutions, units of local government, and public safety facilities, as well as provide access for Idaho citizens. It would serve as the state's **"Intranet."**

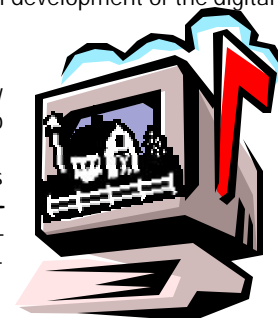
By aggregating tax-supported demand for digital services, the proposed network would provide cost-effective, scalable telecommunication services. By pooling tax-supported buying power, citizens and businesses in rural Idaho will reap the rewards from private-sector telecommunication companies' capital investments in state-of-the-art digital infrastructure equipment and transmission capabilities.

**Three working groups** have been formed to collaboratively work on the project, with a Request for Proposal to be ready in February, 2000 with implementation anticipated at mid-year.

Working groups are: **Service Providers**, comprised of telecommunications firms; the **Users Group**, representing the diverse organizations who will benefit from a modernized infrastructure such as K-12 and Higher Education; and a **Technical Group** bringing together individuals from state agencies and other resources to share expertise in the technical development of the digital infrastructure.

The urbanization of metropolitan areas is being reversed to a cultural shift/migration by people to rural areas. Technology knows no boundaries and communities of interest are not physical entities on the Internet. Just as highways have linked communities and towns, the **Internet – and access to it** – will be central to maintaining Idaho's quality of life and retaining a competitive work force.

Location will not be an issue.



## Digital Microwave System Modernization

### 24 Sites Upgraded From Analog to Digital Capability

During 1999, The Division of Information Technology and Communication Services made steady progress on the upgrading of the State of Idaho's **Multi-Agency Microwave Communications System**.

The system is being modernized from analog communication technology to digital capabilities with completion set for FY2002. The upgrade represents an overall investment of \$10 million with initial funding for the project approved in FY98-99.

The modernization will result in expanded bandwidth and enhancing IT and communications services provided by key agencies using the network, the Departments of Transportation, Fish & Game, and Law Enforcement.

**The network** spans the state in an "L" shape (some 1,200 airline miles) from the community of Bonners Ferry in the northern most region of the state to as far east as Preston in the state's southeastern corner.

The system is a significant telecommunications infrastructure with thousands of pieces of equipment, and nearly 20 years old when the upgrade project got underway in 1997. Life span of analog equipment is 10 to 15 years.

The project consists of 24 sites being upgraded from analog to digital capability. The East end build out portion starts at Boise and extends through Twin Falls, Pocatello, Idaho Falls, and ends at Salmon. This project is part of a statewide plan to develop a **digital trunked radio system** that will provide one radio system network that all State of Idaho agencies can utilize. Further uses, including education, can be supported in the future. In the past, the Division of Information Technology and Communication Services and its Microwave Services staff have worked diligently to make progress on the overall project. Once upgraded, the new system will enable state agencies in both routine and crisis situations to communicate with each other on radio systems that are compatible.

**Idaho Public Television** is incorporating its broadcast needs into the digital microwave system. This eliminates the need for two separate microwave systems throughout the state. The plan calls for specific transmission capacity upgrades resulting in additional quality, reliability, and overall enhancement of IPTV and radio systems in Idaho.



## Multi-Agency Communications Center

### Improving Statewide Public Safety Services

Later this year, **Phase II** of a new **Multi-Agency Communications Center** will open at the Department of Law Enforcement complex in Meridian.

The facility will house essential communications and dispatch operations for several state agencies, including the DLE and the state's Emergency Medical Services.

The \$2 million facility was funded by the Legislature in 1998 and 1999, and is anticipated to be finished in September of 2000.

**Phase 1** of this project, a new building to house the operations hub for the state's digital and analog multi-agency microwave network system was completed this past fall. This facility is also located at the DLE complex within close proximity of the new Dispatch Center.

The project is a prime example of **state government agencies working together** — to overcome obstacles and even traditions — in order to pursue innovation.

Working closely in cooperation with the Department of Administration are the Departments of Law Enforcement, Transportation, Health & Welfare, Fish and Game, the Office of the State Controller, Emergency Medical Services, and the Bureau of Disaster Services.

**Top Photo:** DITCS staff member Gail Rich, left, looks over specs of new facility for microwave services hub in early construction phase. **Bottom photo at right:** new microwave services facility located at DLE complex in Meridian.





## Procurement Reform

*Jan Cox, Administrator,  
Division of Purchasing, 327-7465*

### Procurement Reform Task Force Formed

Electronic Commerce, the Internet, and automated procedures are quickly changing the way business is being done. In order for the State of Idaho to keep pace with these technological and economic changes, the **Division of Purchasing** continues to aggressively pursue several procurement reform measures. This past year, a Task Force comprised of purchasing specialists including representatives of DFM and the State Controllers office was formed to **evaluate and propose changes to the present procurement system**. The intent is to continue to simplify processes, evaluate potential and the role of e-commerce, and review rules/statutes with the goal of getting the best value for the dollar in a fair, equitable bidding environment.

As a result of the group's work, an electronic (on-line) purchasing pilot test will begin in late January of 2000. In addition to the Dept. of Administration (Purchasing) and Task Force members, the Departments of Health & Welfare, Environmental Quality, and Water Resources are participating along with 20 vendors representing four different industries.

### Idaho Participates in E-Mall Pilot

The E-Mall pilot project concluded this past November and involved the State of Idaho along with other states including Utah, Washington, Texas, and Massachusetts. The electronic ordering process with states using other states' contracts worked well generally. The Div. of Purchasing gained much in its participation, but the costs to participate further in the operational phase were determined too prohibitive. This was reinforced by the fact several commercial solutions have been developed and are offered to states.

### Agencies Using Procurement Card (P-Card)

More state agencies are utilizing the **Procurement (P-Card)** and at the end of this calendar year, 25 agencies (1,111 card holders) used the card to purchase \$6.2 million in goods and services. This is more than double the number of agencies (11) using the P-card at the end of FY99. Total transactions for 1999 numbered 47,129 and average transaction value was \$131.

### Records Management Guide Developed

In September of 1999, the Idaho Records Management Guide was completed and made available to all Idaho agencies. The guide is comprised of **standardized record management and retention** information to assist agencies in implementing record management procedures and safeguarding vital records. The guide is downloadable from the division's website.

## Division of Internal Management Systems

*Rick Thompson,  
Administrator, 332-1810*

### Y2K Readiness, New Financial System Key Efforts

The Division of Internal Management Systems (DIMS) provides business management and administrative support to the operating divisions and programs within the Department of Administration. Year 2000 readiness efforts was a major point of emphasis of DIMS during FY 1999.

The first part of FY 1999 was characterized by remediation and compliance efforts for critical Department systems and equipment. The second half of the year concentrated on the preparation and testing of the **Department's Y2K Business Continuity Plan**.

The plan was completed and submitted to the Information Technology Resource Management Council. Two testing exercises were conducted in September and October.

A second major initiative of DIMS was the implementation of a Department wide financial **management information system**. During the year, a provider was selected to perform application hosting for the total system. The Department will be leasing the software and the selected provider will host the applications on their computers.

DIMS also managed the construction of the **Phase I Microwave facility** in Meridian (**see page 15**), and will coordinate the construction of Phase II – Multi-Agency Communication Center- in FY 2000/2001. A department-wide **Information Technology Plan** was also completed at the end of 1999.

### Office of Administrative Rules

The Office of Administrative Rules (OAR) is chartered under Idaho Code to oversee and **manage the administrative rules process** within the State. Individual agencies are responsible for rule content.

During FY 1999, the OAR continued its emphasis on **training agency personnel** by conducting 20 sessions of **"Rules 101"** and 5 sessions of **"Rules 201."** More than 100 agency personnel were trained in these sessions.

OAR also worked closely with Legislative Services to pass Legislation that made rules effective upon adjournment of the Legislature rather than on July 1. As a result, fewer temporary rules are being issued and fewer require review by the Legislature.

OAR submitted 400 pages of Temporary Rules for Legislative review for the 2000 session compared to 2,700 pages in the 1999 session. Finally, in FY 1999, OAR implemented the use of Adobe Acrobat for its Internet site. The site is fully searchable and the printed pages mirror the appearance of the printed versions of the **Administrative Code** and the monthly **Bulletin**.

## Office of Insurance Management

**Cynthia Ness,**  
State Insurance Manager, 332-1865

### Group Insurance – 47,020 Lives Covered

Group Insurance, established in Idaho Code, Title 67, Chapter 57, sponsors and is responsible for the administration of all group life, accidental death and dismemberment, disability, medical and dental insurance contracts and policies for the employees of the State of Idaho and their dependents. The employee benefit programs administered by the Department of Administration represent a segment of the State of Idaho's overall employee compensation. Currently over **18,500 employees** and approximately **2,750 retirees** are enrolled in the state's medical/dental plans. Including dependents, there are 47,020 covered lives under the plans.

### FY2000 Appropriation

The FY2000 appropriation for the group insurance coverages is as follows:

- **group life** and **disability** program appropriation is .95% of annual salary;
- the FY2000 appropriation for the medical coverage is \$3,475 per full time position (FTP); however the actual expenditure is only \$3,400 per FTP because the renewal came in slightly below projection;
- the **dental plan** appropriation is \$144 per FTP;
- *(The combined medical/dental appropriation for FY2000 is \$3,619, with an actual expenditure of \$3,544 per full time position.), and;*
- appropriation for the **employee assistance** program, or EAP is \$41.76 per employee per year.

Claims incurred under the two Blue Shield modules totaled over \$19 million, as of October 31, 1999.

Seventy one percent (71%) of the claims expenses were incurred for general medical expenses like physician and hospital charges. Reimbursement for prescription medications is the second largest cost component accounting for 21% of total claims.

The balance of the claims costs were incurred for "other" services such as ambulance and skilled nursing charges.

	Enrollment Data		
	FY98	FY99	FY2000 (Est)
Employees	17,977	18,207	18,539
Dependents	23,622	24,162	24,362
Retirees	2,688	2,758	2,749
Dependents	1,388	1,374	1,370

## Office of Insurance Management

### On-Line Enrollment & Group Insurance Review

Over the next twelve to eighteen months, the Office of Insurance Management will be involved with two major employee benefits projects.

The first is an **online enrollment process** for the medical and dental plans.

Under this program, a newly hired employee will enroll in the group medical/dental plans via the new **Healtheon BenefitCentral** internet based program. Once online, the employee will be able to review, select and enroll in his chosen medical and dental plans by following step-by-step instructions.

Second, over the next twelve months a careful **review** will be undertaken of **group insurance benefits** offered to state employees. OIM will be reviewing plan designs; assessing the impact of implementing a single medical plan for all employees; evaluating various cost management alternatives to address the increasing prescription benefit and disability plan costs; and, reviewing plan funding alternatives. Following the study, OIM may remarket one or more of its programs; seeking competitive bids from insurers and/or third party administrators who will assist in continuing to provide competitive, cost effective group insurance benefits for state employees.

### Risk Management

Risk Management is responsible for the negotiation, purchase, premium allocation and administration of such coverages for all State entities, including the management of the State's retained risk account. Risk Management is assisted in these efforts by outside brokers, consultants and actuaries.

**Annual premium collected for FY99 totaled \$4.07 million**, including broker fees and the Risk Management administrative fee which accounts for approximately 1% of total annual premium.

All claims are adjudicated by Risk Management staff, with the assistance of defense counsel, outside adjusters, and the excess carriers. During FY99, the state incurred over 1,000 new claims. At the end of the year there were 256 open claims, of which 85 were in litigation. Total reserves for open and unpaid claims amounted to \$14,911,164; in excess of \$700,000 were expended on legal fees.

The **goal of a risk management program is to minimize the "cost of risk"** to the State of Idaho, which is the sum of direct and related costs associated with every facet of the State of Idaho's pure risk. In implementing this goal, the steps can be as simple as teaching employees how to properly lift objects and avoid back injury, or as complex as developing a contingency plan for a large computer center, enabling continued operations should a fire destroy its equipment. Since the risk management process is so broad, it cannot be confined just to Risk Management, but must include all employees of the State of Idaho involved with the management of risk.

## Division of Information Technology And Communication Services

*Joe Roche,  
Administrator,  
332-1840*

### Telephone Services

Telephone Services staff personnel were instrumental in the successful publishing of the **Idaho State Government Telephone Directory**. The goal was to publish easy-to-read, accurate information in a document which would serve as an informative tool. The 1999-2000 directory is also accessible on the State of Idaho Intranet in the exact format of the printed directory.

A **new call accounting system** was placed in service for the **House and Senate**. This included purchase, installation, and training of the system which will provide call record detail including date, time, number dialed, duration, and cost.

The procurement of a **new telephone billing/management system** was undertaken this past year due to meet Y2K compliance. The new billing system will streamline the process and will make available all bill detail reports on the State's Intranet. Agencies will be able to download their reports and sort by any criteria and will have readily available a monthly history for cost comparison. Each year Telephone Services works closely with contracted vendors to ensure correct invoices and rates are rendered to the State. During 1999, this unit **recovered in excess of \$100,000** in billing errors from telecommunication service providers.

### Network Services

The State of Idaho's **main distribution frame** that provides telecommunication services to all state agencies for **Internet, Wide Area Network and Capital Mall fiber connectivity** will be moving from the basement of the Pete T. Cenarrusa building to the 8th floor Computer Room of the Department of Health and Welfare. Health and Welfare and the Department of Administration have worked diligently to ensure that Admin Network Services will be able to provide the same level of support, and have the ability to grow with technology needs.

During FY2000 a **help desk application** was purchased and is currently in the design process for implementation. This system will provide Network Services the ability to troubleshoot problems more efficiently and to monitor systems that may have a history of problems giving us the opportunity to resolve serious problems before they occur.

Network Services staff are working with Idaho Public Television, and DFM to provide the best connectivity to **live and archive audio/video feeds** to the Governor's State of the State and State of the Budget addresses; and to JFAC, and House Floor proceedings.

## Information Technology And Communication Services

### Microwave Services

Located in six state district offices, Microwave Services provides **public safety radio services** for all state agencies. Supported radio systems include the state's microwave backbone which traverses 1,170 miles, linking hundreds of radio repeaters and thousands of mobile radios. In addition to routine maintenance at 44 microwave locations and 76 mountain top radio sites throughout the state, Microwave Services staff has been very busy with the modernization of the state's Multi-Agency Communications Network. Completion of all phases of the project is slated for 2002 and represents an overall investment of \$10 million. **(See pages 14 and 15)**

### Operations of Postal Services Moves to Purchasing

The **Central Postal Bureau** and its 12 staff members process approximately 35,000 pieces of mail and UPS items daily and around 600,000 separate pieces monthly. Effective January 1, 2000 Postal Services management operations was moved from the Division of Information Technology and Communication Services to the Division of Purchasing. In FY99 7.3 million pieces where processed for 167 State Agency accounts, at a cost of \$2,844,226.56.

With the technological advantage of automation discounts, the **State of Idaho saves approximately \$225,000 annually**. Savings can vary depending on volume. Postal provides a variety of services including general mail distribution and delivery, ground parcel, next day express, Federal Express, inserting, folding and tabbing.

### Industrial Special Indemnity Fund

*Lonna Gray,  
Manager, 332-1836*

The Industrial Special Indemnity Fund was established in 1927 as part of Idaho's workers compensation system. ISIF adjudicates claims and administers total and permanent disability benefits for injured workers who suffer a **second injury** in the workplace and are unable to return to work.

The Fund receives all its money from insurance companies or self-insured employers and, as such, neither costs nor saves Idaho State government money. However, the **stability of the Fund** does have impact to all employers and their employees as a factor in worker compensation rates and liability burden. A new assessment formula passed by the Legislature has provided the Fund with a stable and certain revenue stream for the first time in its history. The Fund has increased flexibility in the settlement of claims and has begun reserve funding for the current unfunded annuitant liability. Benefit payments have increased from \$1.6 million in 1997 to \$2.6 million in 1999 and reserving for the approximate \$25 million annuitant liability has begun. Litigation costs have been reduced to half during the same time period.

## FY2000 Program Budget

The Department received a **FY 2000 budget appropriation** of **\$23,996,700** to provide the following services to State agencies:

Administrative Support	\$1,099,200
Small Agency Support	\$54,700
Industrial Special Indemnity Fund	\$210,000
Administrative Rules	\$545,300
Information Technology Resource Management Council	\$700,800
Information Technology and Communications	\$3,770,000
Design and Construction	\$6,825,900
Facilities Management	\$6,672,200
Purchasing	\$2,733,400
Insurance Management	\$1,111,000
Idaho Capitol Commission	\$258,000

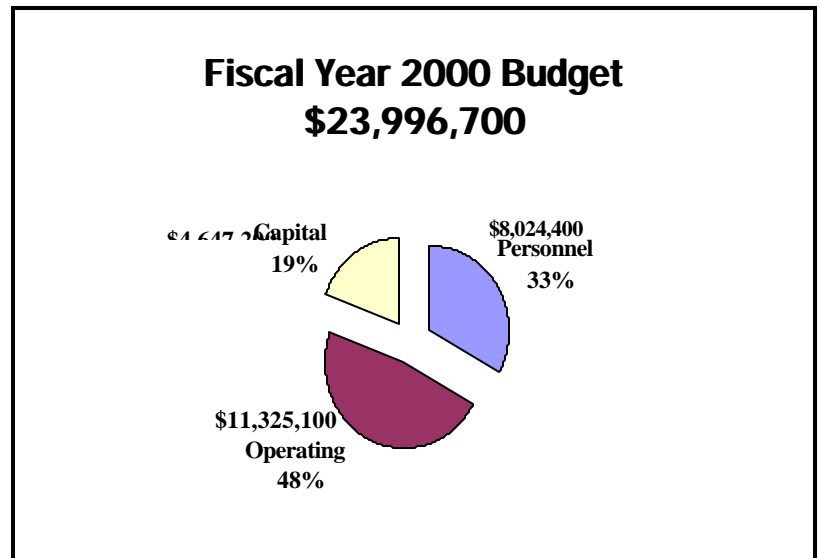
The Department's FY 2000 budget represents a **decrease** of **\$57,000** from FY 1999.

## Programmatic Revenues and Expenditures

The Department of Administration is responsible for programmatic revenues and expenditures of **\$157,397,600**. Major areas of emphasis are:

<b>Insurance Programs:</b> (benefit coverages, property, liability, ISIF and EAP)	<b>\$96,183,600</b>
<b>Capital Budget building programs</b>	<b>\$40,259,700</b>
<b>Communications and Technology</b>	<b>\$8,213,700</b>
<b>Facilities Management</b>	<b>\$5,116,700</b>
<b>Document Management</b>	<b>\$1,010,600</b>
<b>Technology Training Program</b>	<b>\$802,100</b>
<b>Administrative Rules</b>	<b>\$500,600</b>
<b>Federal Surplus Property</b>	<b>\$363,700</b>

## FY2000 Budget



## FY2000 Expenditures

The largest category of expenditures for the Department is **personnel** at \$8,024,400. The next significant category is the annual payment of \$7,100,100 in **principle and interest** payments for state buildings in Boise, Idaho Fall and Lewiston.

The Department's FY 2000 budget included enhancements to continue to **expand the State's technological capabilities**. Specific areas of enhancements include:

- 1) Expansion of the Information Technology Training Program,
- 2) Hire a statewide Geographic Information Specialist,
- 3) Expansion of the State's Internet capacity, and
- 4) Enhancement of the State's electronic purchasing capability.

The Department also received a **\$100,000** one-time enhancement for **Y2K remediation** in state owned buildings. This spending authority was not required and will be **reverted** to the State.



This report provides a general overview of the operations and initiatives of the Department of Administration in accordance with **Idaho Code Section 40-316 (1)**.

Costs associated with this publication are available from the Department of Administration in accordance with **Idaho Code Section 60-202**.



## Department of Administration

---

**650 West State Street  
Room 100  
P.O. Box 83720  
Boise, ID 83720-0003**

**Phone: 208 332-1826  
Fax: 208 332-2307  
Email: [www.state.id.us/adm](http://www.state.id.us/adm)**